

Office of the Commissioner of Securities and Insurance  
Montana State Auditor  
840 Helena Avenue  
Helena, MT 59601  
406-444-2040

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,  
MONTANA STATE AUDITOR**

)  
 ) CASE NO. SEC-2015-130  
 )  
 )  
 ) **CONSENT AGREEMENT and**  
 ) **FINAL ORDER**  
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 )  
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**1**

WHEREAS, Respondent, though licensed as an insurance producer, was not registered a securities salesperson, broker-dealer, or investment advisor during the period of time involved in the transactions involved in this matter;

WHEREAS, the CSI alleged Respondent violated § 30-10-201 by advising clients to liquidate securities accounts to purchase fixed annuities;

WHEREAS, the CSI and the Respondent agree that the best interests of the public would be best served by entering into this Agreement;

NOW, THEREFORE, in consideration of the following mutual undertakings, the CSI and Respondent enter into the following:

#### **AGREEMENT**

1. Without admitting or denying the foregoing CSI allegations, the Respondent stipulates and agrees to the following:

A. Respondent shall pay a fine of \$2,500.

B. Respondent shall pay any surrender charges in connection with the fixed annuities he sold. Respondent shall send a letter in the form appended hereto to all clients who switched from security positions to fixed annuity positions.

C. Respondent shall not offer investment advice regarding the liquidation of securities or act as a securities salesperson without being registered with the CSI

D. Respondent shall comply with the Securities Act of Montana and all other laws of the state of Montana related to securities and insurance, felonies or laws involving dishonesty.

E. Respondent fully and forever releases and discharges the CSI from any and

all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of the Recitals.

F. Respondent acknowledges that it has read and understands each term of this Agreement and that it enters into this Agreement voluntarily and without reservation.

2. Both parties to this Agreement stipulate and agree as follows:

A. This Agreement resolves the alleged violations set forth in the Recitals.

B. The CSI warrants and represents that so long as Respondent adheres to the terms of this Agreement, the CSI will not bring any further action against Respondent arising from any allegation that he acted as an unlicensed salesperson regarding the persons listing in Exhibit 1.

C. This Agreement is entered without adjudication of any issue, law or fact. The Agreement is entered solely for the purpose of resolving the CSI's investigation and allegations, and is not intended to be used for any other purpose.

D. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

E. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

F. This Agreement is a public record under Montana law and as such may

not be sealed or otherwise withheld from the public.

DATED this \_\_\_\_\_ day of January, 2016.

**OFFICE OF THE COMMISSIONER OF  
SECURITIES AND INSURANCE**

By:   
**BRETT O'NEIL**

DATED this 11 day of January, 2016.

  
**THOMAS WATSON**

Reviewed for content by:

  
George Radovich, esq.

**FINAL ORDER**

Pursuant to the authority vested by Mont. Code Ann. §§ 2-4-603 and 33-1-101, et seq., and upon review of the foregoing Consent Agreement (Agreement) between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondent Thomas Watson, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Agreement is adopted as set forth fully herein.

DATED this 29<sup>th</sup> day of January, 2016..

**MONICA J. LINDEEN**  
Commissioner of Securities and Insurance  
Montana State Auditor

By: \_\_\_\_\_

  
**LYNNE EGAN**  
Deputy Securities Commissioner

# EXHIBIT A

Policy Holder	Initial Premium	Policy
M. D. IRA	\$ 131,165.72	Allianz Policy xxxx2226
J. B.	\$ 333,104.07	Allianz Policy xxxx6795
J. B. IRA	\$ 47,157.49	Allianz Policy xxxx4557
J. B.	\$ 9,763.00	Allianz Policy xxxx4515
G. W.	\$ 5,246.55	Allianz Policy xxxx1079
J. C.	\$ 149,573.13	Allianz Policy xxxx2450
M. B. IRA	\$ 20,000.00	Allianz Policy xxxx8182
D. B. IRA	\$ 25,432.33	Allianz Policy xxxx1813
S. L. IRA	\$ 32,800.59	Allianz Policy xxxx1736
J. S. IRA	\$ 62,111.65	Allianz Policy xxxx1384
W. S. IRA	\$ 95,820.93	Allianz Policy xxxx5669
R. W.-C.	\$ 25,725.76	Allianz Policy xxxx3141
S. L.	\$ 25,000.00	Allianz Policy xxxx6105
S. L. IRA	\$ 80,557.49	Allianz Policy xxxx6088
D. F. IRA	\$ 20,000.00	Allianz Policy xxxx0988
L. V. IRA	\$ 116,199.83	Allianz Policy xxxx8636
C. L. IRA	\$ 45,610.44	Allianz Policy xxxx5372
C. L. Roth IRA	\$ 68,917.46	Allianz Policy xxxx5373
C. L.	\$ 34,000.00	Allianz Policy xxxx5767
D. L. IRA	\$ 49,953.67	Allianz Policy xxxx3243
K. L. IRA	\$ 500,000.00	Allianz Policy xxxx2918
B. S.	\$ 80,818.70	Allianz Policy xxxx9992
R. F. IRA	\$ 22,398.76	Allianz Policy xxxx6659
G. B.	\$ 117,108.73	Allianz Policy xxxx6129
S. S.	\$ 61,983.60	Allianz Policy xxxx9179
R. B. IRA	\$ 77,417.86	Allianz Policy xxxx9524
L. H. IRA	\$ 51,822.54	Allianz Policy xxxx0634
J. J. & D. J.	\$ 119,461.01	Allianz Policy xxxx8971

\$ 2,409,151.31